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E.O. 12958: DECL: 10/12/2016  
TAGS: [ECON](#) [EINV](#) [PGOV](#) [PINR](#) [IZ](#)  
SUBJECT: PRIME MINISTER SEEKS ADVISOR'S HELP IN  
ACCELERATING ECONOMIC REFORM

REF: A. BAGHDAD 3797

[1](#)B. BAGHDAD 3789

Classified By: Economic Minister Counselor Daniel Weygandt for reasons  
1.4 (b) and (d).

[1](#)1. (C) Summary: Dr. Mehdi Hafedh, Member of the Council of  
Representatives (CoR), has been asked by Prime Minister al  
Maliki to work on accelerating the pace of economic reform.  
Dr. Hafedh also discussed the investment law and the  
international compact, considering both good steps forward.  
End Summary.

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Slow Economic Reform  
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[1](#)2. (C) Economic reform is still slow, said Dr. Hafedh in an  
October 11 meeting with econoff. "I'm not satisfied with the  
pace." Dr. Hafedh is acting as an unofficial advisor to Prime  
Minister al Maliki. "He is not happy with his team of  
advisors now. I think that there are too many advisors who  
are picked to have a political balance instead of sound  
economic advice." The Prime Minister has asked Dr. Hafedh to  
convene a conference to examine the bottlenecks in economic  
reform projects. Dr. Hafedh has stated before to emboffs his  
concern that "petty partisan politics paralyze the  
government." (Note: Dr. Hafedh played a key role in passing  
the region formation law on October 11. He was one of the few  
members of the Iraqiyya party not to boycott the session,  
allowing a quorum to be achieved and a vote on the law to  
proceed (ref B). End Note.)

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The Investment Law and the International Compact  
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[1](#)3. (C) Dr. Mehdi Hafedh said that the Investment Law is a  
good start. "I wanted some of the articles to be more  
precise," he said, but some members of the committee, and  
indeed the CoR as a whole, were not ready for more change.  
(Note: Mr. Hafedh, a member of the CoR Economic Committee,  
played a large role in presenting the Investment Law during  
the open debate of the Council of Representatives (ref A).  
End Note.) Dr. Hafedh has been following the talks of the  
International Compact. He describes it as "an effort to  
bring, in particular, the Gulf countries back into more  
normal relations with us." In principle, he said, the  
International Compact sounded like a good idea.

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Bio-Note  
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[1](#)4. (SBU) Dr. Medhi Hafedh is a moderate, and often  
independent, member of the Iraqiyya party. He is Shi'a. He

served as Minister for Planning and Development Cooperation during the Iraqi Interim Government (IIG) under PM Ayad Allawi. He is the founder and chairman of the Iraqi Centre for Development and International Dialogue. He was born in 1937. End Bio-note.

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